

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
January 26, 2023 at 6:30 PM**

Mark LePage, Chairman, called the meeting to order at 6:30pm.

I. Attendance:

Budget Committee Present:

Clint Hanson, David Doherty, Sue Whitbeck, Andy Camidge, Mark LePage Gerry Fleury, Brian Seaworth, Peter Gagyi, Jenn Johnson Louis Caron, Matt Miller

II. Approval of Minutes: January 19, 2023

Clint Hanson made a motion to approve the minutes of January 19, 2023 as amended. Dave Doherty seconded the motion. Motion passed 10-0.

III. Discussion and Deliberation on Proposed Budgets.

Mark LePage shared he has communicated with Patty regarding the School District audits. The School has not completed an audit since 2018. Andy Camidge explained the School Board just learned they are further behind on the audits than they had realized. Patty will be taking over completing the field work and has directed the business office to consider the audits their top priority and has authorized overtime for the business office staff. The auditing firm has suggested hiring consultants to assist. Mark explained to the committee that SAU wide, audits are not being completed. Having late audits will hold up funding for the Hill School expansion.

Gerry Fleury expressed astonishment that there have been no audits completed and that the status was unknown.

Jenn Johnson asked if it was the auditing firm that dropped the ball on the audits. Gerry answered it is not. The Business Office must create the financials and then the auditors will send in a team to review the information that has been prepared.

Gene Gauss explained this issue is SAU wide and they will discuss it at the next SAU Board meeting.

David Jodoin asked if they have discussed the law that was passed where they are fined \$250/day for late audits. Andy stated they have not.

Clint Hanson explained when PACE was being closed, they were required by the Department of Education to submit an audit.

Moving on to discussion on the budget, Sue Whitbeck shared while reviewing budgets, the sizeable increases in each department were items the department did not have any control over. It was clear an effort was made to save where they could and be as reasonable as they could with their asks.

The Committee voted to approve the Town warrant articles; those votes are as follows:

Gerry Fleury made a motion to approve warrant article 3. Brian Seaworth seconded the motion. The article is approved 10-0.

Louis Caron requested the language be modified to make the articles clearer. David explained he did change the prior year to italics and changed some language. They are still waiting to hear from the lawyer about the 2/3 vs. 3/5 vote.

Gerry Fleury made a motion to approve warrant article 4. Louis Caron seconded the motion. The article is approved 10-0.

David Doherty made a motion to approve warrant article 10. Andy Camidge seconded the motion. The article is approved 10-0.

Clint Hanson made a motion to approve warrant article 11. David Doherty seconded the motion. The article is approved 10-0.

David Doherty made a motion to approve warrant article 12. Sue Whitbeck seconded the motion. The article is approved 10-0.

Louis Caron asked if this truck will be reused somewhere else. David answered it will be traded in. The cost in this warrant article is the most they will be able to spend. It does not include the cost of the trade in.

Gerry Fleury made a motion to approve warrant article 13. Jenn Johnson seconded the motion. The article is approved 10-0.

Louis Caron made a motion to approve warrant article 14. Peter Gagyi seconded the motion. The article is approved 10-0.

Andy Camidge made a motion to approve warrant article 15. David Doherty seconded the motion. The article is approved 10-0.

Jenn Johnson made a motion to approve warrant article 16. Sue Whitbeck seconded the motion. The article is approved 10-0.

Andy Camidge made a motion to approve warrant articles 6, 7, 8 & 9. Jenn Johnson seconded the motion. The article is approved 10-0.

Brian Seaworth explained RSA 72:28 was changed so the language the town adopted last year no longer exists and that is why they can no longer keep the All Veterans Tax Credit. They need to adopt the new All Veterans Tax Credit with the new language as it exists today. If they do not adopt it, the credit goes away.

Mark LePage explained Gerry had put together a one-page summary to explain the ambulance service restructuring to residents. David Jodoin also put together the timeline of events for the dissolution of the Intermunicipal Agreement with Tri-Town and gave it to Karen Yeaton for review. The Committee feels it is appropriate to distribute Gerry's one-page document to the residents. Peter Gagyi would like the residents to have as much advanced notice as possible before the 2025 budget process begins and make them aware the Town will also need to purchase another ambulance. The Committee will review Gerry's document and will have a copy available for the public hearing.

Peter Gagyi shared concerns that the school budget has increased almost \$4m in 4 years and asked if this is going to be a trend that continues and how the budgets are built. Andy Camidge explained the Business Administrator meets with each department head about their individual needs and the budget is built from there. The budget is built from zero every year. Peter asked if there are any discussions about upping the number of students per classroom. Andy explained the Board has a target class size policy that varies per grade level. That gets challenging once the numbers hit TRS since those are subject specific teachers. Sue Whitbeck stated that when looking at the budget, where the big increases are, they are not lines that can be cut so if they suggest cuts, it is going to come from programs and busing. Peter shared he is uncomfortable saying no to the budget because he understands where the cuts will come from but he would like to abstain from the vote because he is also uncomfortable voting yes and supporting another increase.

David Doherty shared the 7 lines with the largest increases are lines that cannot be amended and those total \$1,117,900.

Gene Gauss stated he was also uncomfortable with the number when presented with it but the schools are being called on to provide more and more services even though the student population has dropped. Those services get more expensive every year.

Gerry Fleury shared his reservations for the 1200 lines because we are not allowed to ask questions. As a result, he cannot tell if he is getting good value for the money being spent in special education.

Andy Camidge stated that even though the numbers are large, the increase is 3.33%. With inflation at 8.5%, the increase is not entirely unreasonable. They work to keep it down but just as costs have gone up everywhere else, they have gone up for the school too.

Matt Miller stated his opinion that the various reserve funds could be utilized better. Andy shared that is on the list of priorities for 2023. He is taking the suggestion of a cap for the warrant articles back to the School Board.

The Committee voted to approve the School District warrant articles; those votes are as follows:

Clint Hanson made a motion to approve warrant article 2. David Doherty seconded the motion. The article is approved 9-0. Peter Gagy abstained.

Clint Hanson made a motion to approve warrant article 3. David Doherty seconded the motion. The article is approved 10-0.

David Doherty made a motion to approve warrant article 5. Sue Whitbeck seconded the motion. The article is approved 10-0.

David Doherty made a motion to approve warrant article 6. Louis Caron seconded the motion. The article is approved 10-0.

Gerry Fleury made a motion to approve warrant article 7. Clint Hanson seconded the motion. The article is approved 10-0.

David Doherty made a motion to approve warrant article 8. Jenn Johnson seconded the motion. The article is approved 10-0.

Jenn Johnson made a motion to approve warrant article 9. David Doherty seconded the motion. The article is approved 10-0.

Mark LePage stated that with the votes taken on the warrant articles, the tax rate impact sheet now shows a bottom-line increase of 16.7%.

Voting was followed by a discussion on details of the tax impact sheet. Matt Miller stated he would be in favor of an addendum to the tax sheet with additional information. Brian Seaworth stated they should be careful with the amount of extra information that is provided because the messages could come across differently to different people. Mark LePage stated that too much extra information will also take more time to explain. Gerry Fleury explained he likes the extra data and comparison data for Budget Committee discussion purposes but there is a danger in presenting too much to the voters. Clint Hanson stated that we know the assessed valuation is always wrong going into the meeting. It always inflates the bottom line. Sue Whitbeck stated they need to discuss how the pandemic is influencing the bottom line and how it looks artificially inflated. The Committee decided not to include an addendum but will have the information available if requested.

Mark LePage reviewed the order of presentation and materials to be available for the public hearing, as well as the subsequent Committee meeting following the closure of the hearing.

February 21, 2023 the School District will have their SB2 public hearing at 6:30pm in the Pembroke Academy Library.

March 1, 2023 the Town will have their SB2 public hearing at 6:30pm at Town Hall.

February 8, 2023 is the SAU Executive Board Meeting at 5:30pm in the Pembroke Academy Cafeteria and Gene Gauss will be working to get the audits on the agenda.

IV. Other Business

Budget Committee Public Hearing will be February 2nd with a snow date of February 9th at 7:00pm at the Pembroke Academy Auditorium.

V. Adjourn:

Clint Hanson made a motion to adjourn at 8:11 PM. Jenn Johnson seconded the motion and it was approved unanimously.

Mark LePage, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com click on Pembroke NH and look for the day of the meeting under the month.